GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:622
ANSWERED ON:28.07.2006
REVISED GUIDELINES ON FINANCIAL LIMITS
Mohite Shri Subodh

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has revised the guidelines on financial limits to be observed in cases relating to new services or new instruments of service;

(b) if so, the details thereof;

(c) the reasons for revision in guidelines;

(d) whether revision is part of austerity measures of Government;

(e) if so, the details thereof; and

(f) the likely impact on Government expenditure?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a): Yes, Sir;

(b) & (c): The revised guidelines on Financial Limits to be observed in determining cases relating to New Service/New Instrument of Service were issued on 25.5.2006 in accordance with the commitment made by the Government in the Fiscal Policy Strategy Statement (Budget 2005-06) under the mandate of the Fiscal Responsibility and Budget Management (FRBM) Legislation and in pursuance of the approval of Public Accounts Committee (2005-06) in its twenty third report (14th Lok Sabha). This has the concurrence of the Comptroller and Auditor General. It specifies the limits upto which expenditure can be met by reappropriation of savings in a grant subject to report to Parliament and limits beyond which prior approval of Parliament is required in respect of various types of expenditures as detailed in the annex to the O.M.No. F.1(23)-B(AC)/2005 dated 25.5.2006. The revision is a part of the important initiatives taken to streamline Public Expenditure Administration with the objective of giving Ministries/ Departments greater flexibility, delegation and accountability in managing and implementing departmental budgets.

(d), (e) & (f): Does not arise in light of above.